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Senate Panel Urges Destruction of Moscow Site

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WASHINGTON, April 29 — The Senate intelligence committee today unanimously recommended the demolition of the chancery building for the new Moscow embassy, saying it was compromised by Soviet listening devices.

The panel's report on the State Department's security procedures at the existing embassy and at the new embassy complex is not binding. But senior members of the intelligence panel said the Senate Appropriations Committee would move soon to cut off the money needed to complete the chancery.

"It's time to stop the buck-passing and to make a decision to start over," Senator David L. Boren, Democrat of Oklahoma who is chairman of the intelligence committee, said at a news conference. He said the committee had voted 15 to 0 to approve the 18-page report.

The cost of the embassy project, which includes apartments and other quarters, is estimated at \$192 million. The chancery, where sensitive business is conducted, was expected to cost \$65 million, of which \$23 million has already been spent.

Bubble Rooms Shipped to U.S.

Administration officials disclosed today that an initial sweep of the present Moscow embassy room used for sensitive conversations — the bubble room — has found no listening devices. American intelligence analysts suspect that Soviet agents planted devices in that room after being allowed to enter secure areas by Marine guards who now face espionage charges.

Administration officials said the bubble rooms in Moscow and Vienna are being dismantled and shipped to the United States at a cost of millions of dollars. The officials said it could take months to complete minute examinations of the contents and structures of the rooms before they could be certain whether Soviet agents left behind any eavesdropping equipment.

At a meeting this month with Secretary of State George P. Shultz, Mikhail S. Gorbachev, the Soviet leader, scoffed at reports that Soviet agents had entered the embassy. Administration officials said. According to one account of the conversation provided by an American official, Mr. Gorbachev assured Mr. Shultz that there had been no entry into the embassy.

Mr. Gorbachev's remark was considered highly unusual by counterintelligence experts, who noted that in no case in recent memory had the Soviet Union offered a similar reassurance.

Administration officials said they were still proceeding on the "worst-case" assumption that significant damage had resulted from the Marine guards' purported espionage. The major evidence that Soviet agents were permitted to enter the embassy was a statement to investigators, since recanted, by Cpl. Arnold Bracy, one of several Marines accused of spying.

Serious Harm May Have Resulted

Robert Lamb, the senior State Department official responsible for embassy security, said in an interview today that he still thought the case had caused serious harm. But he said it would probably be months before intelligence experts could be precise about the scope and nature of the damage.

The Senate intelligence committee report, based on testimony at three closed hearings, said the worst-case assessments presume that Soviet agents had access for hours at a time to "the most sensitive areas of the embassy."

That would give the Russians time to penetrate all the locks and alarms, forcing intelligence analysts to presume that all documents and communications had been compromised.

The report blames the State Department for many of the security shortcomings that lead to embassy guards' alleged espionage, and to the compromise of the new chancery building.

Report's Recommendations

It called for polygraph examinations of each Marine ending a tour abroad and "counterintelligence" investigations of any rules infraction, like black-market currency dealings or socializing with local women. The report was also sharply critical of the alarm system in the Moscow embassy, saying the reliance on the honesty of the Marines left the compound with a "single failure point."

More generally, the report said that the security and building aspects of the State Department were "fragmented and scattered in at least three different major organizational units."

It called on the State Department to combine all of the units into one, and have them report directly to the Secretary of State.

The most detailed criticism was reserved for the new embassy. In 1972,

the Nixon Administration agreed to permit the Soviet Union to prefabricate off-site the concrete slabs at the new embassy. American officials did not insist on the right to inspect the work while the concrete was being poured.

Beginning in 1979, the State Department began finding listening devices in the building. Construction was not halted until 1985. Today, Senator William S. Cohen, the Maine Republican who is vice chairman of the intelligence committee, said it would take two to three years for the intelligence experts to determine whether the building could be salvaged. "We're not going to wait two to three years to find out the building is one giant antenna," he said.

The report noted that the Soviet Union took great pains to have Soviet technicians oversee all aspects of the project.

Senator Cohen also said he favored legislation to eject the Soviet Union from its new embassy, which is on one of the highest points in Washington. The Russians have not occupied the chancery of that building, but are using its apartments at a site intelligence officials say is ideally suited to intercept electronic communications.

Other recommendations in the report include removing foreign employees from other United States embassies worldwide; shortening the Marine guards' tour of duty to six to nine months; and preventing the State Department from cutting the security budget.

Earlier this year, the report said, Congressional opposition prevented the State Department from removing money from the security budget for other purposes.